



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

CITIZENS PLAZA BUILDING
400 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1403

TELEPHONE: 615-313-4700 FAX: 615-741-4165
TTY: 1-800-270-1349
www.tn.gov/humanservices

BILL HASLAM
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

November 21, 2017

Brandy Dutton, Board Chair
Little Pow Wow, Incorporated
1806 Old Gray Station Rd.
Johnson City, Tennessee 37615

Dear Ms. Dutton:

The Tennessee Department of Human Services Audit Services (TDHS) staff conducted an on-site unannounced monitoring review of the Child and Adult Care Food Program (CACFP) at Little Pow Wow, Inc., Application Agreement 00-392, on September 18, 2017. We reviewed the Sponsor's records of reimbursements and expenditures for August 2017. The purpose of this review was to determine if the Sponsor complied with the *Title 7 of the Code of Federal Regulations* (CFR) applicable parts, provider agreement, and applicable Federal and State regulations.

There were two sites approved in the Application Agreement and two sites in operation during the test month of August 2017. We selected Sundale Preschool as the sample site. Receipts were combined for both the sample site and the Boone's Creek site. Attendance, applications, meal counts, and menus were reviewed for both sites.

Background

CACFP sponsors utilize meal count sheets to record the number of meals served for breakfast, lunch, supper and supplement meals served. Meals served by participating sponsors must meet the minimum guidelines set by the United States Department of Agriculture (USDA) and TDHS to be eligible for reimbursement. The CACFP sponsor reports the number of meals served through the TDHS Tennessee Information Payment System (TIPS) to seek reimbursement. We inspected meal count sheets for our test period and reconciled the meals claimed to the meals reported as served for each meal service. We also assessed compliance with civil rights requirements and observed a lunch service at Sundale Preschool on August 31, 2017.

Our review of the Sponsor's records for August 2017 disclosed the following:

1. The number of participants reported in the free and paid categories was incorrect

Condition

The Claim for Reimbursement for the test month reported 55 participants in the free category, seven participants in the reduced-price category, and 113 participants in the paid category. However, our review of the Sponsor's records revealed there were 54 participants in the free category, seven participants in the reduced-price category, and 107 participants in the paid category. As a result, the Sponsor underreported one free participant and six paid participants. (See Exhibits)

Our review of the rosters and applications on file for August 2017 disclosed the following:

- The Sponsor overreported two free participants and underreported four paid participants prior to any adjustments made based on enrollment and application errors.
- There was one participant at the Boone's Creek site whose application was not dated by the determining official. This participant was reclassified from the free category to the paid category.
- There were five participants reported at the Sundale site that were not in attendance. Two participants were reported as free, and three were reported as paid. As a result, the Sponsor over reported two free participants and three paid participants.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.10 (c) states, in part, "... In submitting a Claim for Reimbursement, each institution shall certify that the claim is correct and that records are available to support that claim. ..."

Recommendation

The Sponsor should ensure that participants are reported in the proper eligibility category.

2. The number of meals reported on the Claim for Reimbursement was overstated

Condition

Based on review the Sponsor's Claim for Reimbursement for August 2017, we noted that Sponsor reported 2,430 breakfast meals, 3,310 lunch meals and 3,260 supplements served. However, our review of the Sponsor's records showed that 2,315 Breakfast meals, 3,160 lunch meals, and 3,103 Supplements served prior to any disallowances.

As a result of the review we noted that the Sponsor over reported 115 breakfast meals, 150 lunch meals, and 157 supplements served.

Criteria

Title 7 of the Code of Federal Regulations, Section 226.10 (c) states, in part, "... In submitting a Claim for Reimbursement, each institution shall certify that the claim is correct and that records are available to support that claim. ..."

Recommendation

The Sponsor should ensure that all meal count sheets verified for accuracy before prior to submitting the Claim for Reimbursement.

3. The Sponsor's menus did not meet all required components

Condition

Based on review of the menus provided by the Sponsor, we noted that a lunch meal and/or supper meal consists of one serving of meat or meat alternate, two servings of fruit and/or vegetables, one serving of bread/grains, and one serving of fluid milk. A supplement meal consists of one serving of two meal components including meat or meat alternate, fruit and/or vegetable, bread or grain or fluid milk. The menus provided for the test month by Little Pow Wow indicated the following:

Date	Reason for Disallowance	Meal type	# of meals disallowed
8/3/17	Fish Sticks made with Wild Alaskan Pollock, Green Beans, Mandarin Oranges, and Milk. Fish Sticks only contain .50oz of meat which does not meet the required amount.	Lunch	72 at Boone's Creek 68 at Sundale
8/ 8/17	Ranch Rice Crisps and Apple Juice. Rice Crisps are not a creditable Component	Supplement	71 at Boone's Creek 71 at Sundale
8/23/17	Rice Cakes with 100% Pineapple Juice. (1's and 2's get Rice Cakes and Juice), Rice Cakes are not a creditable Component	Supplement	70 at Boone's Creek 60 at Sundale
8/24/17	Fish Sticks made with Wild Alaskan Pollock, Green Beans, Mandarin Oranges, and Milk. Fish Sticks only contain .50oz of meat which does not meet the required amount.	Lunch	74 at Boone's Creek 65 at Sundale

As a result of the review, 279 lunch meals and 272 supplements were disallowed. (See Exhibits)

Criteria

Title 7 of the Code of Federal Regulations, Section 226.17(b)(4) states. "Each child care center participating in the Program shall claim only the meal types specified in its approved application in accordance with the meal pattern requirements specified in §226.20 ..."

The USDA Crediting Foods in the Child and Adult Care Food Program, page 62, states, "When crediting such products as chili-macs, pizzas, pot pies, sloppy Joes, and ravioli toward the meat/meat alternate component, the amount of meat/meat alternate per serving (not the total portion size) is the determining factor for crediting purposes. Because of the uncertainty of the actual amount of meat/meat alternate contained in these products, they should not be used unless (1) they are CN-labeled; or (2) you obtain a Product Formulation Statement signed by an official of the manufacturer (not a sales person) that shows how the crediting has been determined. Remember that only a CN-labeled product carries a warranty that protects against financial audit claims. See the sample formulation statement on page 73 with required information and documentation."

Recommendation

The Sponsor should ensure that the menus reflect and contain all required meal components. Also, the Sponsor should serve enough food to meet the USDA nutritional requirements.

4. The attendance reported was incorrect

Condition

Based on review of the Claim for Reimbursement for August 2017, we noted that the Sponsor reported 3,326 participant days. However, our review showed that there were 3,303 participant days. (See Exhibits)

Criteria

Title 7 of the Code of Federal Regulations, Section 226.10 (c) states, in part, "... In submitting a Claim for Reimbursement, each institution shall certify that the claim is correct and that records are available to support that claim. ..."

Recommendation

The Sponsor should ensure that accurate daily attendance is taken. A system for taking and reporting attendance should be implemented.

Disallowed Meals Cost

The disallowed meal costs are due to over-reporting of meals and incorrect reporting of Free and Paid Applications and menu components issues resulted in a total disallowed meals cost of \$1,057.18.

Corrective Action

Little Pow Wow, Inc. management must complete the following actions within 30 business days from the date of this report:

- Login to the Tennessee Information Payment System (TIPS) and revise the claim(s) submitted for each site for August 2017, which contains the verified claim data from the enclosed exhibit;
- Remit a check payable to the ***Tennessee Department of Human Services*** in the amount of \$1,057.18 for recovery of the amounts disallowed in this report. **Please return the attached billing notice with your check;** and
- Prepare and submit a corrective action plan to address the deficiencies identified in this report. The corrective action plan template is attached. Please return the corrective action plan to:

AuditServices.CAPS.DHS@tn.gov

If you have questions relative to the corrective action plan please contact:

Allette Vayda, Director
Child and Adult Care Food Program
8th Floor Citizens Plaza Building
400 Deaderick Street
Nashville, Tennessee 37243
Allette.Vayda@tn.gov
(615) 313-3769

Please note that the amount of disallowed cost is subject to an interest charge. The interest charge will be waived if your revised claim within 30 business days from the date of this report. If the revised claim is not completed by the 30 business - day deadline, an interest charge may be billed to your institution. Please mail your check and the billing notice to:

Child and Adult Care Food Program
Fiscal Services
11th Floor, Citizens Plaza Building
400 Deaderick Street
Nashville, Tennessee 37243

In accordance with the federal regulation found at *7 CFR Part 226.6 (k)*, your institution may appeal the amount of disallowed cost identified in this monitoring report. The procedures for submitting an appeal are enclosed.

Tennessee Department of Human Services
Appeals and Hearings Division, Clerk's Office
P.O. Box 198996
Nashville, TN 37219

If the Institution decides to appeal the amount of disallowed administrative and meals cost, all appeal procedures must be followed as failure to do so may result in the denial of your request for an appeal.

We appreciate the assistance provided during this review. If you have any questions regarding this report, please contact Sean Baker, Audit Director 2, at 615-313-4727 or Sean.Baker@tn.gov.

Sincerely,



Sam O. Alzoubi, CFE
Director of Audit Services

Exhibits

cc: Gennie Elliott, Sundale Site Director, Little Pow Wow, Inc.
Allette Vayda, Director, Child and Adult Care Food Programs
Elke Moore, Administrative Services Assistant 3, Child and Adult Care Food Program
Constance Moore, Program Specialist, Child and Adult Care Food Program
Marty Widner, Program Specialist, Child and Adult Care Food Program
Comptroller of the Treasury, State of Tennessee

Exhibit A**Sponsor: Little Pow Wow, Inc.****Review Month/Year: August 2017****Total Meal Reimbursement Received: \$8,323.40**

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled Meals to Meal Counts Sheets
Total Number of Days Food Served	23	23
Total Attendance	3,326	3,303
Number of Breakfast Served	2,430	2,315
Number of lunch Served	3,310	2,735
Number of PM Snack Served	3,260	2,691
Number of Participants in Free Category	55	54
Number of Participants in Reduced Category	7	7
Number of Participants in Paid Category	113	107
Total Number of Participants	175	168
Total Amount of Eligible Food Costs	XXXXXXXX	\$2,724.52
Total Amount of Eligible Food and Non-Food Costs	XXXXXXXX	\$3,315.44

EXHIBIT B**Center: Boone's Creek**

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled Meals to Meal Counts Sheets
Number of Days that CACFP Food Service was operated	23	23
Total Attendance	1,602	1,602
Percentage of Participants in the Free or Reduced-price Category	26%	25%
Number of Breakfasts Served	1,174	1,174
Number of Lunches Served	1,602	1,456
Number of Supplements Served	1,591	1,450
Number of Participants in Free Category	19	18
Number of Participants in Reduced-Price Category	5	5
Number of Participants in Paid Category	66	67
Total Number of Participants	90	90

EXHIBIT C**Center: Sundale Preschool**

Site Meal Service Activity and Monitor Reconciliation	Reported on Claim	Reconciled Meals to Meal Counts Sheets
Number of Days that CACFP Food Service was operated	23	23
Total Attendance	1,724	1,701
Percentage of Participants in the Free or Reduced-price Category	44%	48%
Number of Breakfasts Served	1,256	1,141
Number of Lunches Served	1,708	1,425
Number of Supplements Served	1,669	1,381
Number of Participants in Free Category	36	36
Number of Participants in Reduced-Price Category	2	2
Number of Participants in Paid Category	47	40
Total Number of Participants	85	78



**STATE OF TENNESSEE
DEPARTMENT OF HUMAN SERVICES**

CITIZENS PLAZA BUILDING
400 DEADERICK STREET
NASHVILLE, TENNESSEE 37243-1403

TELEPHONE: 615-313-4700 FAX: 615-741-4165
TTY: 1-800-270-1349
www.tn.gov/humanservices

BILL HASLAM
GOVERNOR

DANIELLE W. BARNES
COMMISSIONER

November 21, 2017

Brandy Dutton, Board Chair
Little Pow Wow, Incorporated
1806 Old Gray Station Rd.
Johnson City, Tennessee 37615

**Notice of payment due to findings disclosed in the monitoring report dated November 21, 2017
for Child and Adult Care Food Program (CACFP).**

Institution Name:	Little Pow Wow, Inc.
Institution Address:	1806 Old Gray Station Rd. Johnson City, Tennessee 37615
Agreement Number:	00-392
Amount Due:	\$1,057.18
Due Date:	December 22, 2017

Based on the monitoring report issued on November 21, 2017 by the Audit Services Division within the Tennessee Department of Human Services, the Community and Social Services - Food Programs - CACFP & SFSP management has agreed with the findings which require your institution to reimburse the Department of Human Services for disallowed meals cost.

Please remit a check or money order payable to the *Tennessee Department of Human Services* in the amount of \$1,057.18 by the due date to:

**Tennessee Department of Human Services
Fiscal Services 11th Floor
Citizens Plaza Building
400 Deaderick Street
Nashville, Tennessee 37243-1403**

Please note that the disallowed cost/overpayment of the CACFP is subject to an interest charge. The interest charge will be waived if the payment is received by the due date. If payment is not received by the end of the 5th day of the due date, an interest charge may be added to the original amount due and will be billed to your entity.

If you have any questions regarding this notice, please feel free to contact Allette Vayda, Director, Community and Social Services - Food Programs - CACFP & SFSP at (615) 313-3769 or Allette.Vayda@tn.gov.

Thank you for your attention

**Corrective Action Plan for Monitoring Findings**

Instructions: Please print in ink or type the information to complete this document. Enter the date of birth for each Responsible Principal and/or Individual in Section B. Attach the additional documentation requested. Enter your name, title and date of signature on the last page. Please sign your name in ink.

Please return ALL pages of the completed Corrective Action Plan form.

Section A. Institution Information

Name of Sponsor/Agency/Site: Little Pow Wow Inc.	Agreement No. 00392	<input type="checkbox"/> SFSP <input checked="" type="checkbox"/> CACFP
--	------------------------	--

Mailing Address: 1806 Old Gray Station Rd. Johnson City, TN 37615

Section B. Responsible Principal(s) and/or Individual(s)

Name and Title: Brandy Dutton, Board Chair	Date of Birth: / /
--	--------------------------

Section C. Dates of Issuance of Monitoring Report/Corrective Action Plan

Monitoring Report: 11/21/17	Corrective Action Plan: 11/21/17
-----------------------------	----------------------------------

Section D. Findings**Findings:**

1. The number of participants reported in the free and paid categories was incorrect
2. The number of meals reported on the Claim for Reimbursement was overstated
3. The Sponsor's menus did not meet all required components
4. The attendance reported was incorrect

The following measures will be completed within **30 calendar days** of my institution's receipt of this corrective action plan:

Measure No. 1: The number of participants reported in the free and paid categories was incorrect

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No.2: The number of meals reported on the Claim for Reimbursement was overstated

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No. 3: The Sponsor's menus did not meet all required components

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

Measure No. 4: The attendance reported was incorrect

The finding will be fully and permanently corrected.

Identify the name(s) and position title(s) of the employee(s) who will be responsible for ensuring that the finding is fully and permanently corrected:

Name:

Position Title:

Name:

Position Title:

Describe below the **step-by-step** procedures that will be implemented to correct the finding:

When will the procedures for addressing the finding be implemented? Provide a timeline below for implementing the procedures (i.e., will the procedures be done daily, weekly, monthly, or annually, and when will they begin?):

Where will the Corrective Action Plan documentation be retained? Please identify below:

How will new and current staff be informed of the new policies and procedures to address the finding (e.g., Handbook, training, etc.)? Please describe below:

I certify by my signature below that I am authorized by the institution to sign this document. As an authorized representative of the institution, I fully understand the corrective measures identified above and agree to fully implement these measures within the required time frame. I also understand that failure to fully and permanently correct the findings in my institution's CACFP or SFSP will result in its termination from the program, and the placement of the institution and its responsible principals on the National Disqualified List maintained by the U.S. Department of Agriculture.

Printed Name of Authorized Institution Official:

Position:

Signature of Authorized Institution Official: _____

Date: / /

Signature of Authorized TDHS Official: _____

Date: / /

- (xi) The institution, one of its sponsored facilities, or one of the principals of the institution or its facilities has been convicted for any activity that indicates a lack of business integrity;

(c) Administrative review is also available if the State agency notifies the institution and responsible principal or responsible individual of the following actions: proposed disqualification of a responsible principal or responsible individual, denial of a budget, denial of a line item within a budget, downward adjustment of the amount approved in a budget, suspension of an institution's participation, denial of start-up or expansion funds, denial of a request for advanced payment, recovery of an advance in excess of a claim, denial of a claim for reimbursement (except for late submission), decision not to forward an exception request for payment of a late claim, overpayment demand, denial of a new or renewing institution's application for participation, denial of sponsored facility application, notice of proposed termination, claim denial, claim deadline exceptions and requests for upward adjustments to a claim, or any other action affecting an institutions participation or claim for payment.

3. All appeal requests must be presented in writing to the TDHS Division of Appeals and Hearings not later than 15 calendar days after the date the institution or sponsoring agency receives the notice of adverse administrative action.
4. The date of an institution's or sponsoring agency's receipt of a notice of suspension and/or proposed termination and disqualification will be governed by the federal regulation at 7 CFR Part 226.2. The notice must specify the action being proposed or taken and the basis for the action, and is considered to be received by the institution or day care home when it is delivered, sent by facsimile, or sent by email. If the notice is undeliverable, it is considered to be received by the institution, responsible principal or responsible individual, or day care home five days after being sent to the addressee's last known mailing address, facsimile number, or email address.
5. The TDHS Division of Appeals and Hearings will acknowledge the receipt of the appeal request within 10 calendar days of the receipt of the institution's or sponsoring agency's request for review. The written request for review should state if a fair hearing is requested or if a review of written information in lieu of a fair hearing is requested. If the appeal request from the institution or sponsoring agency does not specifically request a hearing, a review of written information in lieu of a hearing will occur. If a fair hearing is requested and the institution or sponsoring agency's representative fails to appear, the right to a personal appearance is waived.
6. If an institution or sponsoring agency does not request a fair hearing or a review of written information in lieu of the hearing within 15 calendar days from the date the institution or sponsoring agency receives a Notice of Proposed Termination, the TDHS will issue a letter advising the institution or sponsoring agency that it is terminated from the CACFP effective on the 16th calendar day following the institution's or sponsoring agency's receipt of the notice, and that the responsible principals and individuals of the institution or sponsoring agency are disqualified from participation.
7. To be considered for a fair hearing or for a review of written information in lieu of a fair

Appeal Procedures for Child and Adult Care Food Program-Institutions
Revised March 2017

hearing, all written documents must be submitted to the TDHS Division of Appeals and Hearings not later than 30 days after receipt of the notice of adverse administrative action.

8. The action of the TDHS must remain in effect during the administrative review. The effect of this requirement on particular actions by TDHS is as follows:

(i) *Overpayment demand.* During the period of the administrative review, TDHS is prohibited from taking action to collect or offset the overpayment. However TDHS must assess interest beginning with the initial demand for remittance of the overpayment and continuing through the period of administrative review unless the administrative review official overturns the TDHS's action.

(ii) *Recovery of advances.* During the administrative review, TDHS must continue its efforts to recover advances in excess of the claim for reimbursement for the applicable period. The recovery may be through a demand for full repayment or an adjustment of subsequent payments.

(iii) *Program payments.* The availability of Program payments during an administrative review of the denial of a new institution's application, denial of a renewing institution's application, proposed termination of a participating institution's agreement, and suspension of an institution are addressed in paragraphs (c)(1)(iii)(D), (c)(2)(iii)(D), (c)(3)(iii)(D), (c)(5)(i)(D), and (c)(5)(ii)(E), respectively, of 7 CFR §226.6.

9. The institution or sponsoring agency must refute the charges contained in the notice during the fair hearing or in the written information that is provided in lieu of the hearing.

10. The institution and the responsible principals and responsible individuals may retain legal counsel, or may be represented by another person.

11. If a fair hearing is requested, the institution or sponsoring agency will be notified in writing of the time, date and place of the fair hearing at least 10 calendar days in advance.

12. Any information which supports an adverse administrative action taken by the TDHS shall be available to the institution or sponsoring agency for inspection from the date of the receipt of the request for a fair hearing or a review of written information in lieu of the hearing.

13. In accordance with 7 CFR Part 226.6 (k)(8), the TDHS Division of Appeals and Hearings must conduct the administrative review of the proposed disqualification of the responsible principals and responsible individuals as part of the administrative review of the application denial, proposed termination, and/or proposed disqualification of the institution with which the responsible principals or responsible individuals are associated. However, at the administrative review official's discretion, separate administrative reviews may be held if the institution does not request an administrative review or if either the institution or the responsible principal or responsible individual demonstrates that their interests conflict.

14. The procedures contained in the Uniform Administrative Procedures Act found at TCA 4-5-301 et seq. shall be followed in rendering a decision on all appeals. The decision of the hearing officer is the final administrative determination to be afforded to the institution or sponsoring agency, and shall be rendered in a timely manner not to exceed 60 calendar days from the date of the receipt of the request for a fair hearing.

15. The processing limits for administrative appeals MUST be met. In the event a continuance is requested by a party, one continuance may be granted at the Hearing Official's discretion. This

Appeal Procedures for Child and Adult Care Food Program-Institutions
Revised March 2017

continuance shall not be for a period longer than ten (10) calendar days unless there are exceptional circumstances. Exceptional circumstances must be detailed in the order of continuance and the order must contain a date certain for the hearing, to be set as soon as possible. A report of pending CACFP desk review and fair hearing requests will be generated and reviewed daily by the Clerk's Office and the Legal Director for Appeals and Hearings who will monitor the dates for timeliness. In the event a decision has not been rendered within forty-five (45) calendar days of the date of receipt of the request for fair hearing or desk review, the Legal Director for Appeals and Hearings or their back-up shall notify the hearing official to take appropriate action.

16. All requests for a fair hearing or for a review of written information in lieu of a hearing must be submitted to:

Tennessee Department of Human Services
Division of Appeals and Hearings
PO Box 198996, Clerk's Office
Nashville, TN 37219-8996
Fax: (615) 248-7013 or (866) 355-6136
E-mail: AppealsClerksOffice.DHS@tn.gov

17. If a termination action is upheld by the hearing officer, the TDHS will issue a letter to the institution or sponsoring agency and its responsible principals and individuals advising that the termination and disqualification are effective on the date of the ruling issued by the hearing officer. The agency maintains searchable records of all administrative reviews and their dispositions for a period of five (5) years.

18. As required by 7 CFR Part 226.6 (c)(7), each disqualified institution, sponsoring agency, principal and individual will be placed on the National Disqualified List maintained by the U.S. Department of Agriculture (USDA). Once included on the National Disqualified List, an institution, sponsoring agency, principal and individual shall remain on the list until such time as the USDA, in consultation with the TDHS, determines that the serious deficiencies that led to their placement on the list have been corrected, or until seven years have elapsed since they were disqualified from participation. However, if the institution, sponsoring agency, principal or individual has failed to repay debts owed under the program, they will remain on the list until the debt has been paid.